VZCZCXYZ0005 RR RUEHWEB

DE RUEHSG #1004/01 1731430 ZNY SSSSS ZZH R 221430Z JUN 07 FM AMEMBASSY SANTIAGO TO RUEHC/SECSTATE WASHDC 1688 INFO RUEHAM/AMEMBASSY AMMAN 0051 RUEHAC/AMEMBASSY ASUNCION 3012 RUEHSW/AMEMBASSY BERN 0123 RUEHBO/AMEMBASSY BOGOTA 1765 RUEHBU/AMEMBASSY BUENOS AIRES 0379 RUEHEG/AMEMBASSY CAIRO 0021 RUEHCV/AMEMBASSY CARACAS 1442 RUEHLP/AMEMBASSY LA PAZ JUN LIMA 5138 RUEHNR/AMEMBASSY NAIROBI 0002 RUEHSA/AMEMBASSY PRETORIA 0127 RUEHQT/AMEMBASSY QUITO 1726 RUEHTV/AMEMBASSY TEL AVIV 0187 RUEAIIA/CIA WASHDC RHMFISS/HQ USSOUTHCOM MIAMI FL RUEKJCS/JOINT STAFF WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC

S E C R E T SANTIAGO 001004

SIPDIS

SIPDIS

E.O. 12958: DECL: 06/20/2017 TAGS: <u>IR PINR PREL PTER CI</u>

SUBJECT: TAKING THE GOOD (AFRICA AND MIDDLE EAST) WITH THE BAD (IRAN) AS CHILE OPENS TO THE WORLD

REF: A. SANTIAGO 974

\*\*B. SANTIAGO 796

1C. ALSACE-BLAKENEY 06/20 E-MAIL

Classified By: Charge a.i. Emi Yamauchi for reasons 1.5 (b and d).

Iran in Chile

11. (S) Ricardo Ortiz, the MFA's Acting Director for the Middle East and Africa, confirmed to E/Pol Counselor on June 21 that Iran would open an embassy in Santiago, as MFA Director General Portales told the Ambassador June 15 (ref A). Ortiz said Chile and Iran had always maintained diplomatic relations but that for several years - from approximately 1993 onwards - the Iranian ambassador accredited to Chile had been resident in Tehran, visiting Santiago 3-4 times a year. Indeed, Ortiz said, he had seen the Iranian ambassador off at the airport after his last visit, in late 2006. Ortiz speculated that budgetary reasons had kept Iran from maintaining a resident ambassador in Santiago. Relations had always been "correct," so when Tehran asked for consent to open an embassy in Santiago, there was no good reason to deny the request.

12. (S) E/Pol Counselor noted that the decision had come as something of a surprise. Past signals - including in a conversation he had with Ambassador Lira (head of the MFA's South America division) in May 2007 - had indicated Chile would prefer not to have an Iranian embassy in Santiago. Lira had noted then that Chile shared concerns with the USG over possible Iranian support for terrorism-related activities in South America, as one reason to keep the Iranians out (ref B). Ortiz acknowledged such concerns, but said Chile was known hostile territory for terrorists and, in any event, Chilean security forces would monitor Iranian activities closely, including any "possible ties to fundamentalist groups." Ortiz said that "he did not know" if Iranian purchase of USD 45 million in copper had played a role in the decision, but that the MFA's economic division

might have such figures. (Comment: Ortiz may be disingenuous here. Post was told by a reliable source that Deputy FM Van Klaveren had recently admitted as much.)

3.(S) Ortiz said no date had been agreed on when the Iranians would open an embassy in Santiago, nor had there been any discussion of the number of diplomats Tehran would assign to it. The MFA would ensure, however, that the number was "consistent" with the nature of the bilateral and commercial relationship, i.e. not large. He added that Chile had "no plans" to open an embassy in Tehran.

Chile's Long-Standing Interest in Middle East

¶4. (C) Ortiz observed that the statement issued by the MFA on June 19, supporting Mahmoud Abbas's emergency government and calling for an end to violence in the Middle East (ref C), reflected Chile's historic interest in the region. He said the statement was just the latest in a long string of such declarations clearly marking Chile's support for a peaceful resolution of the conflict. Chile has a large, established ("three-generations") Palestinian-origin community and a smaller but also influential Jewish community which generated interest – and necessitated balance – in Chile's Middle East policy. Ortiz added that there were growing Chilean economic ties with the region, noting Chile was in the process of opening a commercial office in Dubai. King Abdullah II of Jordan is planning a state visit to Chile in October 2007. The trip has more symbolic than practical value as commercial ties between Chile and Jordan are "weak." Ortiz thought

Abdullah would likely travel to other Southern Cone countries while in the region.

Growing Chilean Interest in Sub-Saharan Africa

15. (C) Ortiz said that his chief, Ambassador Manuel Hinojosa, was currently traveling in Africa. This was evidence of increased Chilean interaction with several countries in sub-Saharan Africa -- including Mozamabique and Angola. Chile's interest in Africa was driven, in part, by a search to diversify its potential energy sources, as well as part of Chile's overall interest in expanding ties beyond traditional partners.
YAMAUCHI